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15 September 2008

SUPPL

Sidoarjo mudflow incident

Santos notes the article published in this morning's Australian Financial Review containing speculation regarding its exposure to Sidoarjo mudflow incident in East Java. Santos rejects any suggestion that it has understated the severity of that incident.

The Government of Indonesia has taken a major role in responding to the mudflow. Following from the national task force appointed to address the incident in 2006, the President of Indonesia established the Sidoarjo Mud Mitigation Agency in April 2007 with a long-term mandate to manage the issues associated with the incident. It has been doing so actively. Whilst the Agency is responsible for the ongoing response to and management of the incident, the incident remains a matter of significant concern to Santos.

Santos has a non-operating 18% interest in the Brantas Production Sharing Contract. Lapindo, as Operator, continues to participate in all operations at the site. However, Santos has been supporting the efforts of the Agency and Lapindo and continues to believe that a resolution may ultimately be reached between all relevant parties.

Santos is not in a position to comment specifically on the UNEP report. However, given the conditions at site and current activities being conducted, Santos believes that the provision remains an appropriate estimate of its potential liability associated with the incident. As Santos has indicated previously, the situation remains dynamic, complex and uncertain. Santos will continue to review the adequacy of the provision in light of developments and available information.

Ends

Santos stock symbols: STO (Australian Securities Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)

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SEP 16 2008

THOMSON REUTERS

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JLW
9/15

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12 September 2008

Santos Dividend Reinvestment Plan (DRP)

On 21 August 2008 Santos announced that a fully franked interim dividend of twenty two cents per share would be paid on 30 September 2008 to shareholders on record as at 2 September 2008.

It also announced that the DRP would be in operation for this dividend and DRP shares would be issued at the arithmetic average of the daily weighted average market price ("average market price") over a period of 7 business days commencing on the business day after the dividend record date with no discount to apply.

This notification is to advise that the DRP average market price is \$18.1886.

Ends

Santos stock symbols: STO (Australian Securities Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)

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To: Company Announcements Office
ASX Ltd

From: Company Secretary

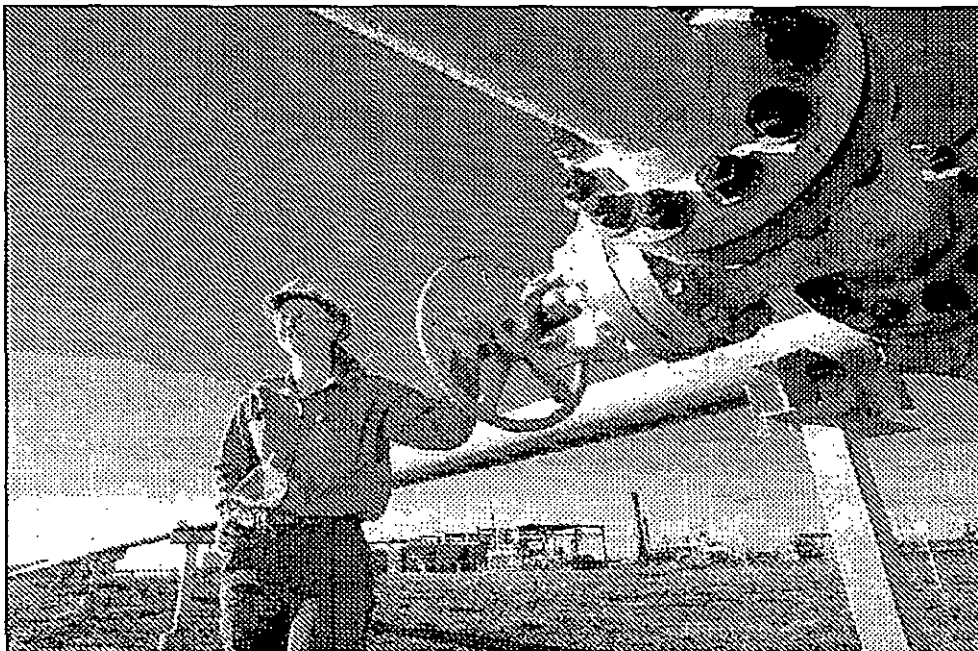
Date: 8 September 2008

Subject: Investor Presentation – September 2008

Please find attached presentation delivered to investors in the USA.

James Baulderstone
Company Secretary

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**Santos**

Delivering the Strategy

September 2008

Disclaimer & Important Notice

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, geotechnical factors, drilling and production results, gas commercialisation, development progress, operating results, engineering estimates, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated.

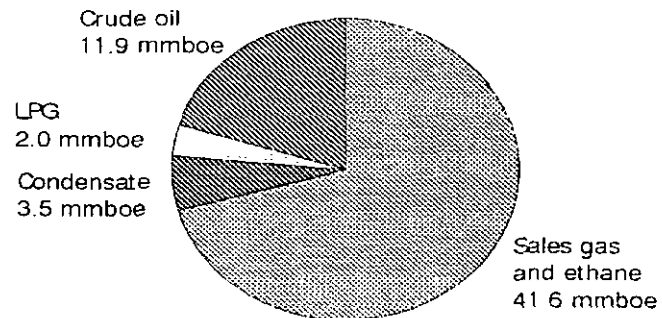
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An Australian Company Providing Energy for Australia and Asia

Leading Australian based Exploration & Production company

- » Commenced operations in 1954
- » Market cap US\$11 billion
- » 1,800 employees
- » Daily production
 - 625 mmscfd gas
 - 50,000 bbl/d liquids
- » Reserves and resources
 - 1P reserves 485 mmboe
 - 2P reserves 879 mmboe
 - Contingent resources 2,600 mmboe

2007 Production
59.1 mmboe



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Energy World

Fundamentally

- » Unprecedented Asian economic growth driving energy demand
- » Rising CO₂ emissions
- » Security of supply becoming incredibly important

To meet energy needs while reducing emissions...

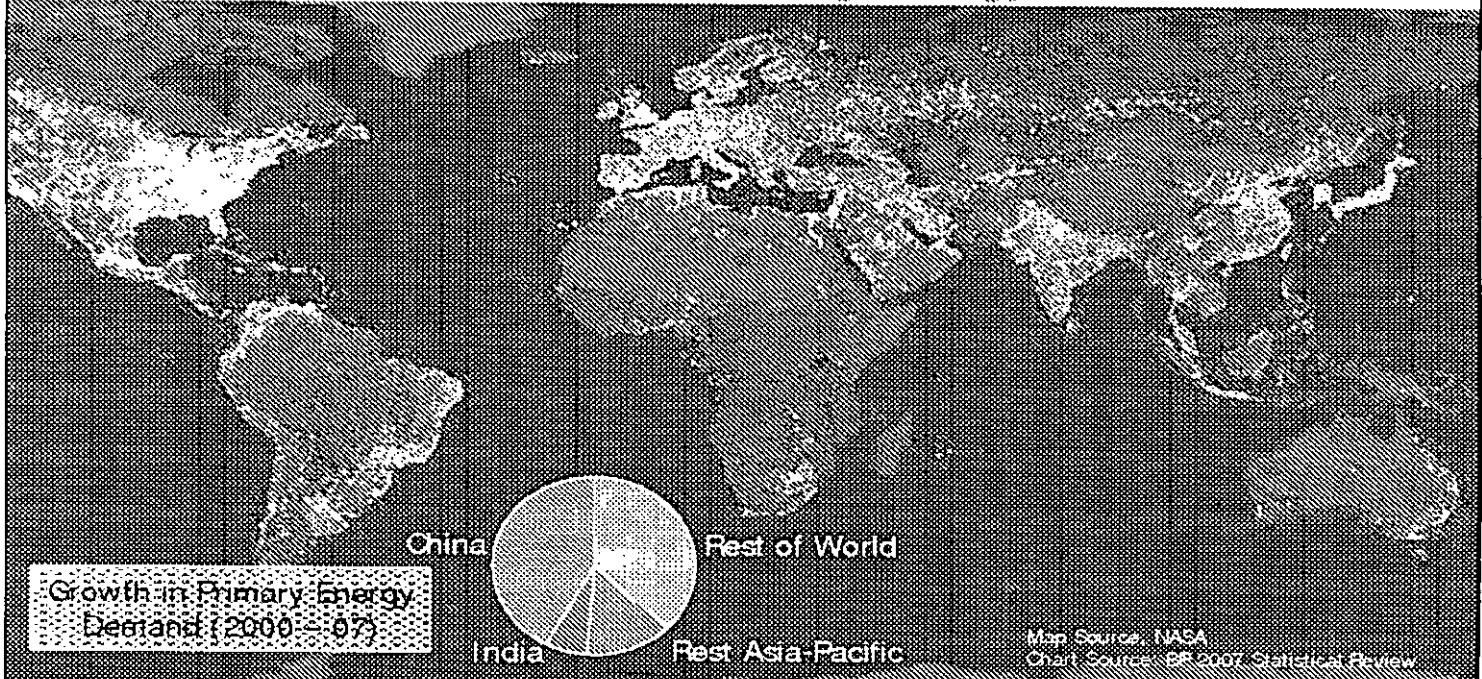
- » **Gas** must have an increasing share of the fuel mix
- » **Unconventional** energy supplies must complement conventional
- » **Prices** need to remain high to ensure supply/demand equilibrium

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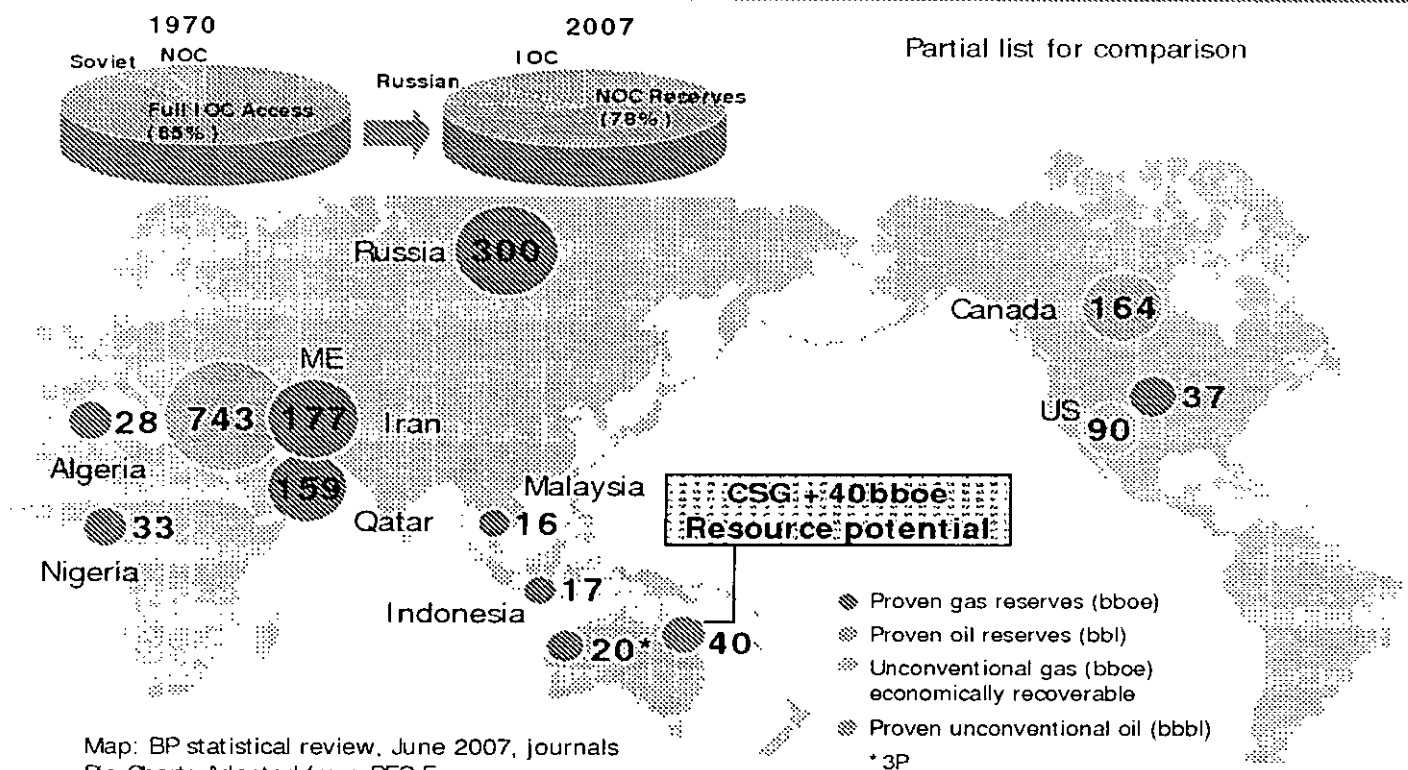
Fundamental Shift Globally

An Australian company providing energy for Asia



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EA CSG: Globally Significant Play in an Access Constrained World



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The Santos Strategy

Using quality assets, Santos will safely deliver:

Reliable base business in Australia

- **Eastern Australia:** price and volume growth
- **Cooper Oil:** high-value scaleable exploitation opportunity
- **WA:** exploit asset position

Significant growth in LNG

- **GLNG:** transformational growth
- **PNG:** project underpinned by high quality gas reserves
- **DLNG:** brownfield LNG growth

Focused growth in Asia

- **Indonesia:** steady business with incremental growth
- **India/Bangladesh:** Bay of Bengal
- **Vietnam:** first oil by end 2010, expansion opportunities

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Strategy Delivery in 2008

Reliable base business in Australia

- ✓ Reindeer FID with first gas by end 2010
- ✓ Henry on track for first gas in 1H09
- ✓ Kipper on track for first gas in 1H11
- ✓ Jackson to Moomba pipeline completed
- ✓ Fairview Phase 2 on track for first gas January 2009
- ✓ Better performance from Cooper Oil – production up 26%
- ✓ First CSG exploration well in Gunnedah

Focused growth in Asia

- ✓ Oyong Phase 2 on track for first gas in 2H09
- ✓ Block 123 PSC signed in Vietnam
- ✓ Successful test of Chim Sao North appraisal well
- ✓ Chim Sao on track for FID in 2H08

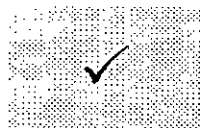
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Strategy Delivery in 2008

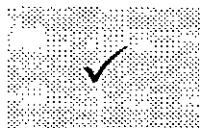
Significant growth in LNG



Sale of 40% interest in GLNG™ to PETRONAS for US\$2.5 billion*



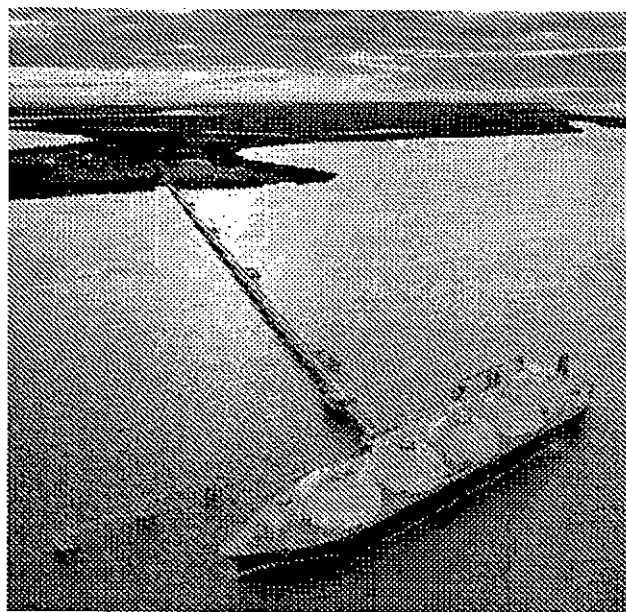
Dual GLNG™ pre-FEED commenced by Bechtel and Foster Wheeler



Gas Agreement signed for PNG LNG and project entry to FEED



Receipt of US\$2 billion from PETRONAS (in 2nd half)

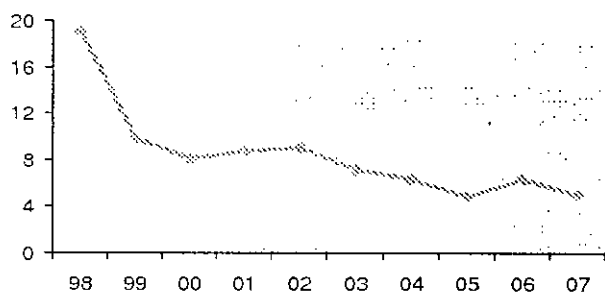


*US\$500 million to be paid upon reaching FID of a second LNG train of 3mtpa capacity.

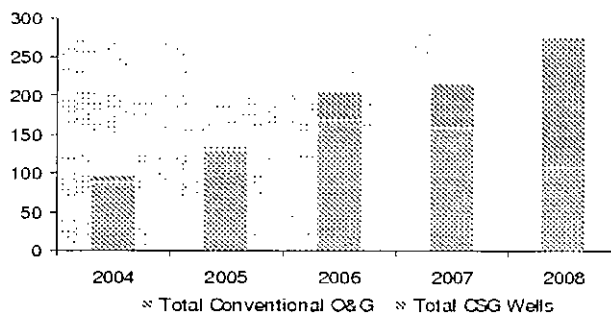
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Track Record in Operational Delivery

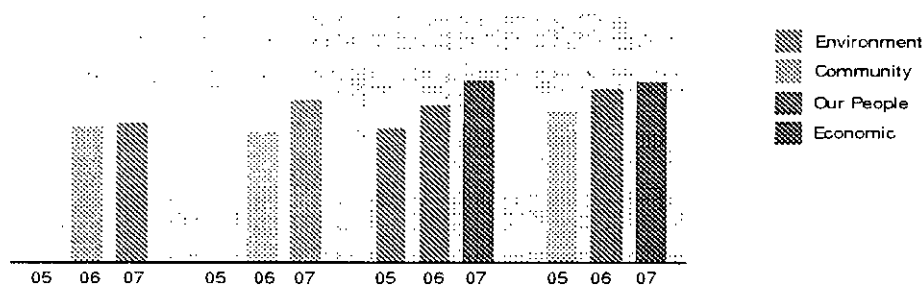
Total Recordable Case Frequency Rate



Number of wells drilled



Continuous improvement in sustainability scorecard



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Sound Operating Performance

2008 Interim Result

			Change on 1H07
Production	27.6 mmboe	↓	(8%)
Sales Revenue	\$1,384 million	↑	14%
EBITDAX	\$1,032 million	↑	6%
Net Profit After Tax	\$304 million	↑	58%
Underlying Net Profit	\$289 million	↑	30%
Operating Cash Flow	\$699 million	↑	30%
Interim Dividend	22 cps	↑	10%

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Capital Management Plan

A comprehensive suite of initiatives

- Off market share buy-back of \$300 million
- Interim dividend increased by 10% to 22 cents per share
- Dividend reinvestment plan underwritten for 2008 and 2009
- Certain debt facilities repaid
- Balance of PETRONAS proceeds to be applied to LNG funding
- Remaining capital required for GLNG™ to be assessed during the FEED process.

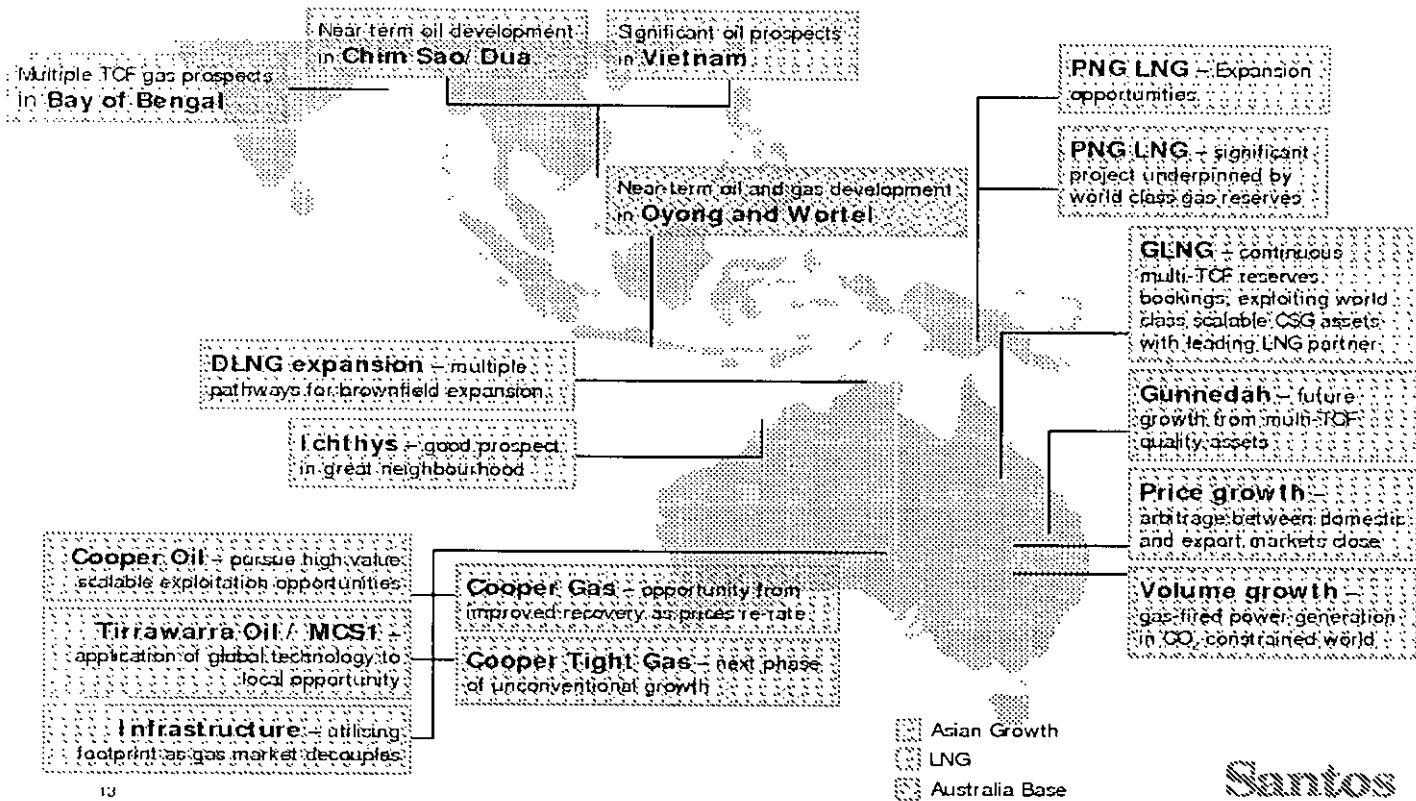
Which benefit shareholders

- Santos can confidently execute its strategy
- Franking credits distributed
- Taken together, accretive to EPS

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Santos "Beyond the 2P"

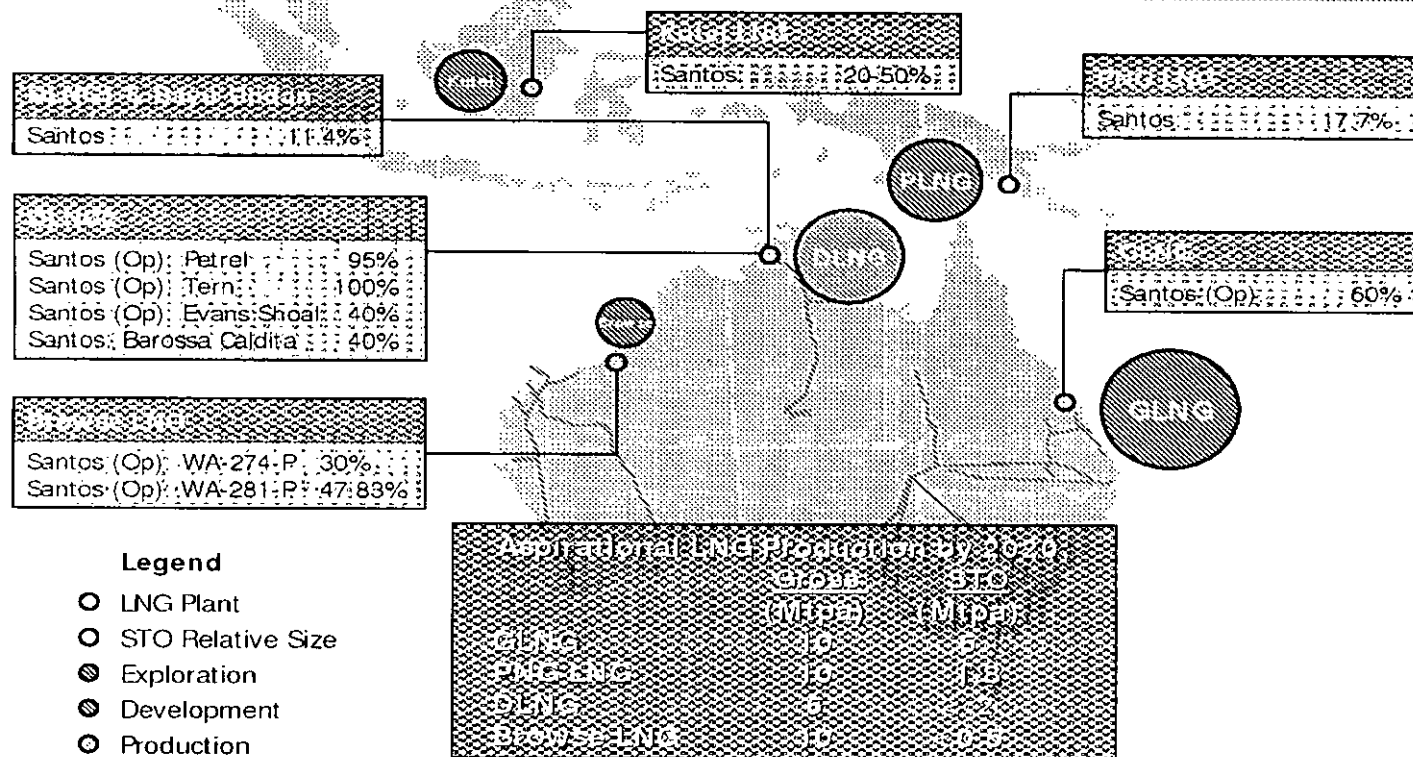


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Growth in LNG

2020 LNG Growth Aspiration

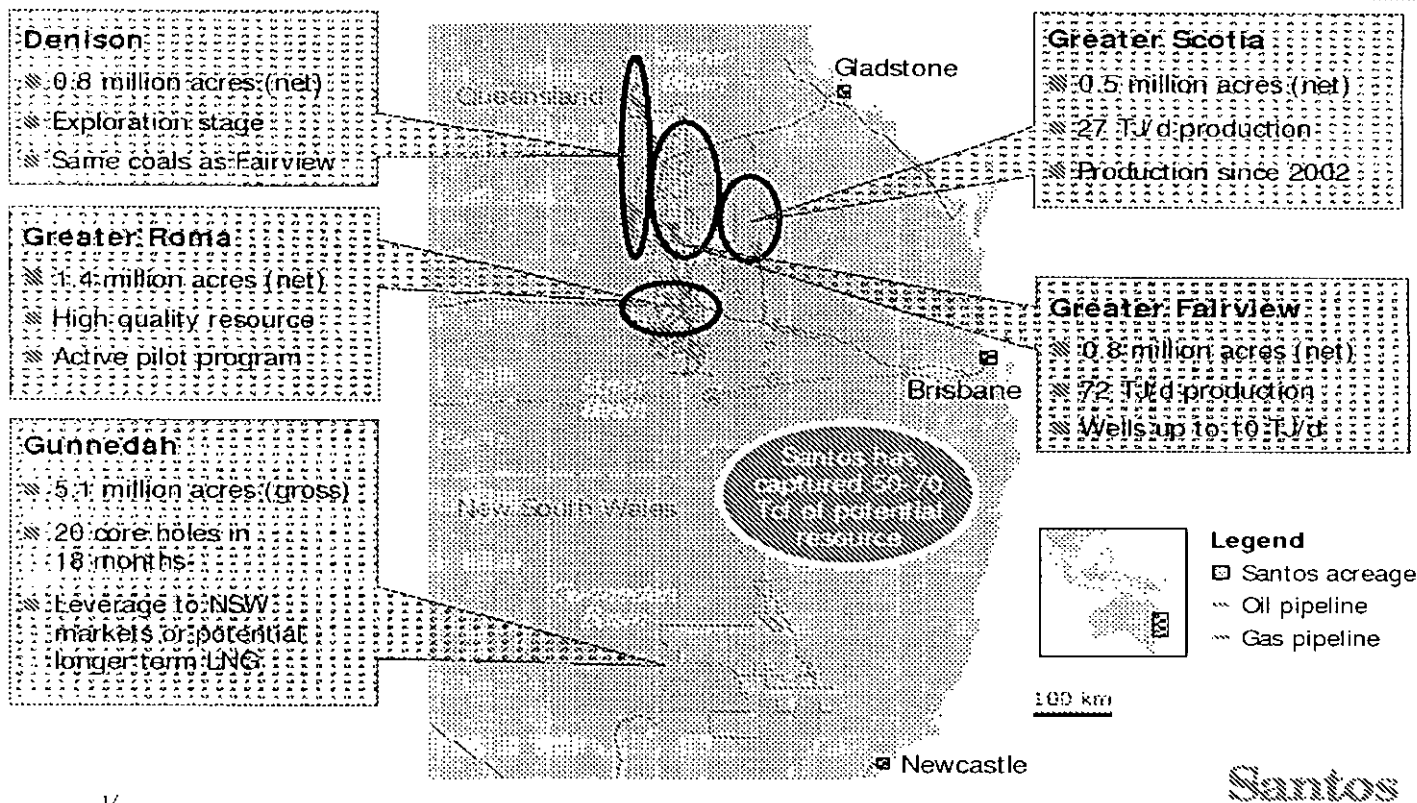


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Coal Seam Gas Assets

Santos' Leading CSG Acreage Position



Santos CSG Assets are World Class

Fairview, Roma and Scotia rank them amongst the world's best CSG assets

Field	Gas Content	Permeability	Saturation	Flow Rate	Spacing	GLP/Well	Coal Thickness
Fairview	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	●●●
Roma	●●	●●●●	●●	●●	●●	●●	●●
Scotia	●●●●	●●	●●●●	●●●●	●●	●●●●	●●●●

San Juan	●●●●	●●	●●	●●●●	●●●●	●●●●	●●●●
Powder River	●	●●●●	●●	●	●	●	●●●●
Black Warrior	●●●●	●	●●	●	●	●	●●

□ Santos assets

● acceptable

●● good

●●● best in class

* Continued development at Fairview and Roma indicate there is more to come

Burgeoning Australian CSG Industry

Australian CSG production growth is following a similar pathway to the more established CSG resources in the USA

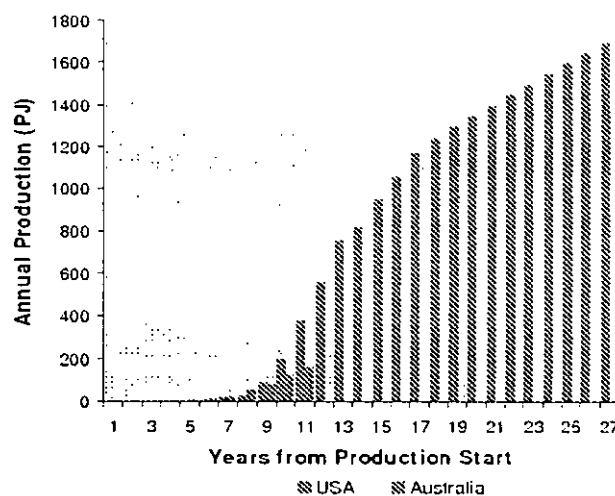
※ Key metrics of the USA CSG industry include:

- 20 producing basins
- 40,000 producing wells
- Average 0.1 mmscf/d/well
- 9% of USA production
- San Juan producing for 20 years (14 Tcf recovered to date)

※ Australian CSG is on the same journey although with better quality assets

- 3 producing basins
- Average 0.7 mmscf/d/well
- 25% of the Eastern Australian gas market
- The limiting factor on Australian production to date has been the size of the domestic market

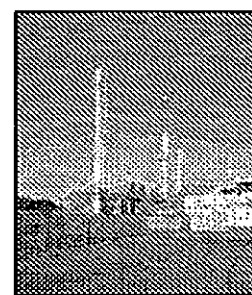
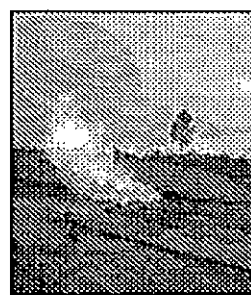
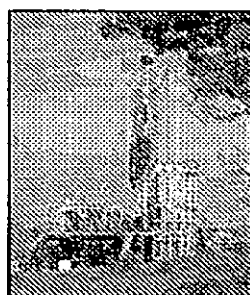
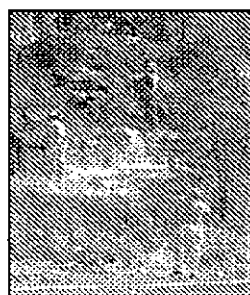
Historic CSG Production
(USA vs Australia)



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CSG Reserve Development — Key Milestones



**PROSPECTIVE
RESOURCE**

**CONTINGENT
RESOURCE**

3P

2P

1P

※ Geological review

※ Core holes
※ Geological review
※ Seismic

※ Core holes

※ Core holes
※ Pilot wells

※ Pilot wells
※ Development wells
※ Field development

Qld	21,000 PJ	7,523* PJ	2,911* PJ	1,035* PJ	427* PJ
GD	40,000 PJ				

GD: Gunnedah

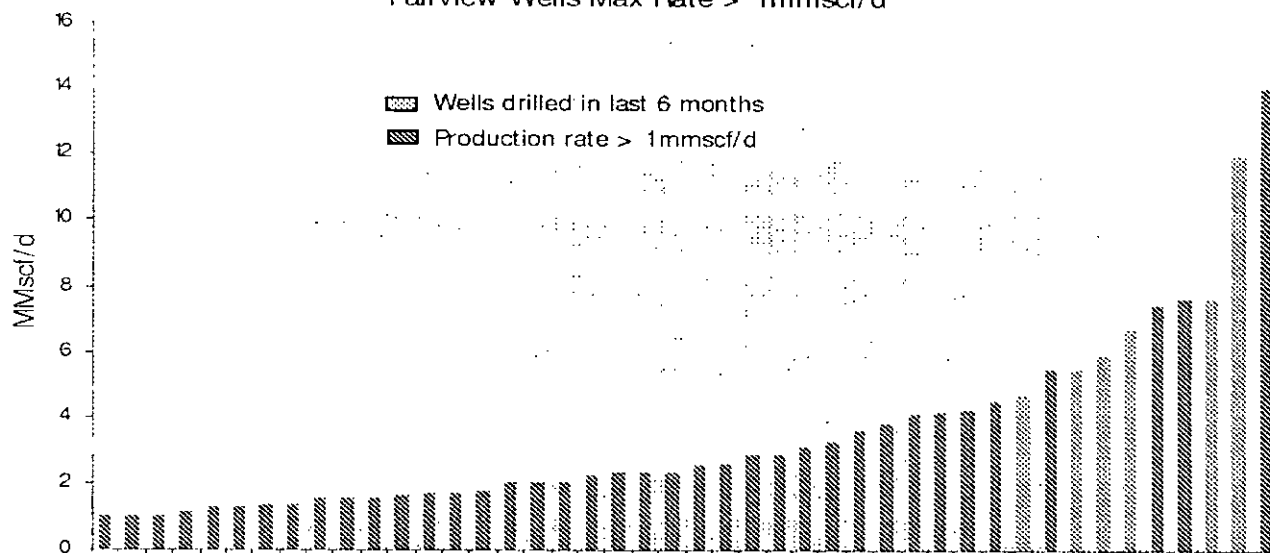
* Adjusted for 40% Sell Down

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Recently Drilled Fairview Wells

Gas flows from recently drilled wells delivering world class rates

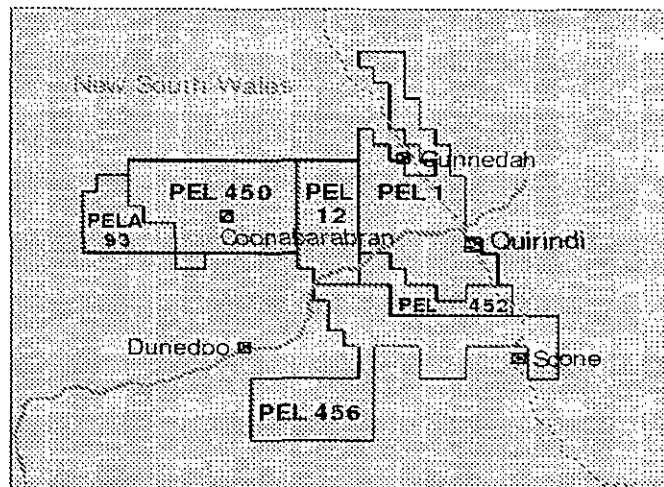
Fairview Wells Max Rate > 1mmscf/d



Gunnedah Basin

40TCF prospective resource...

- ※ Santos has secured access to majority acreage positions (up to 21,000 km² gross)
- ※ Quality and material land position to allow building of major new business
- ※ All Santos operated
- ※ Up to 20 coreholes in next 18 months
- ※ Contingent gas resource, first booking expected in 2009



Legend

- Santos acreage
- Gas pipeline

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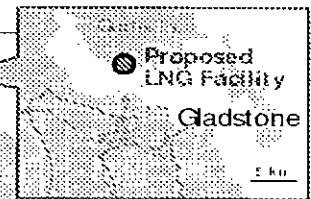
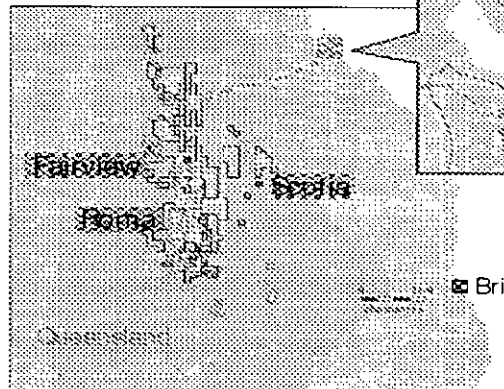
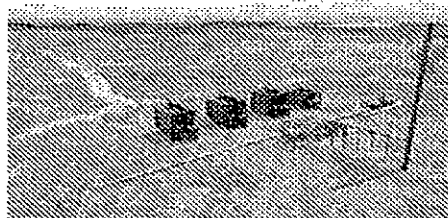
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Gladstone LNG

GLNG™: Responds to Observable Trends

GLNG™

- World class unconventional reserves to fulfil...
- Growing Asia Pacific demand for LNG
- From a secure supply source in Australia
- To capture rising price of scarce energy



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Santos: Leading the Way in CSG to LNG

✓	Resource Captured
✓	Freehold land acquired for liquefaction facilities
✓	Significant project status awarded
✓	Environmental applications lodged
✓	Pre-FEED by Foster Wheeler and Bechtel
✓	PETRONAS selected as partner
2008	FEED
2009/10	FID
2014	First Gas

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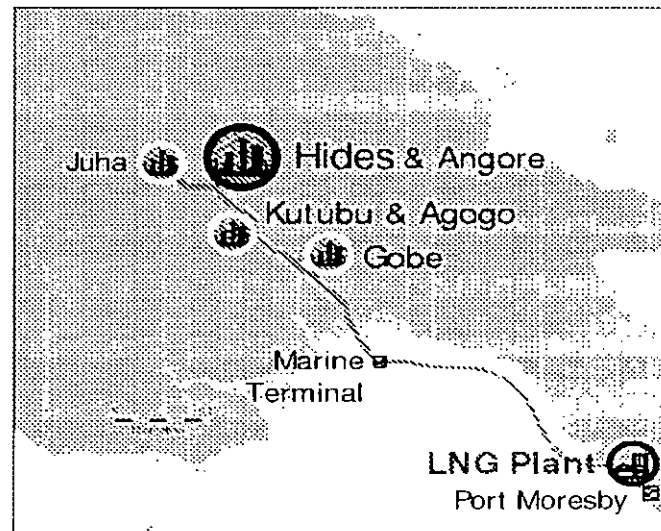
PNG LNG & Darwin LNG

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PNG LNG Builds Towards FID

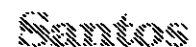
PNG LNG is moving toward final investment decision...

- ※ Pre FEED work on two train 6.3 mtpa plant ✓
- ※ Marketing Representative Agreement ✓
- ※ Coordinated Development and Operating Agreement ✓
- ※ Gas Agreement ✓
- ※ FEED Entry Decision ✓
- ※ Marketing commenced ✓
- ※ Finance strategy 4Q 08
- ※ Buyer Heads of Agreement 4Q 08
- ※ Final Investment Decision 4Q 08



Legend

- ★ Gas processing facility
- Oil pipeline
- Gas pipeline
- ... Condensate pipeline

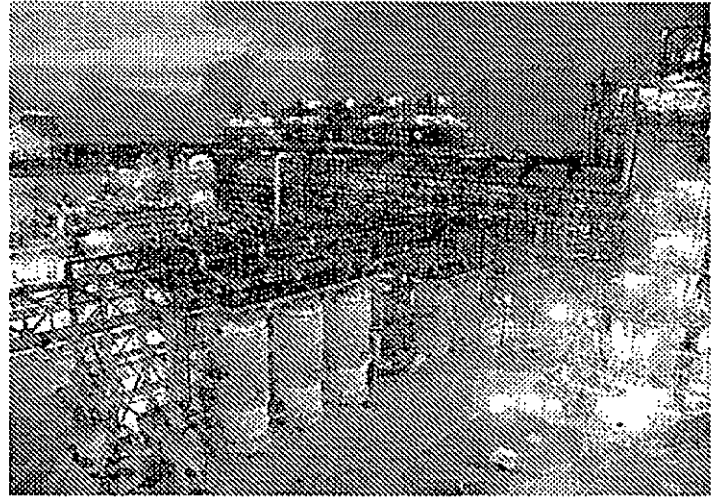


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Bayu-Undan and Darwin LNG

Base project continues to deliver with potential upside unfolding...

- ※ De-bottlenecking/mini LNG expansion (studies underway)
- ※ Commercial tolls on any infrastructure used by 3rd party projects
- ※ Santos' uncontracted reserves to potentially play into new LNG projects
- ※ Spot cargo opportunities
- ※ Enhanced liquids recoveries through 2nd phase drilling campaign (2009-10)



Santos equity increased to 11.39% in 2007

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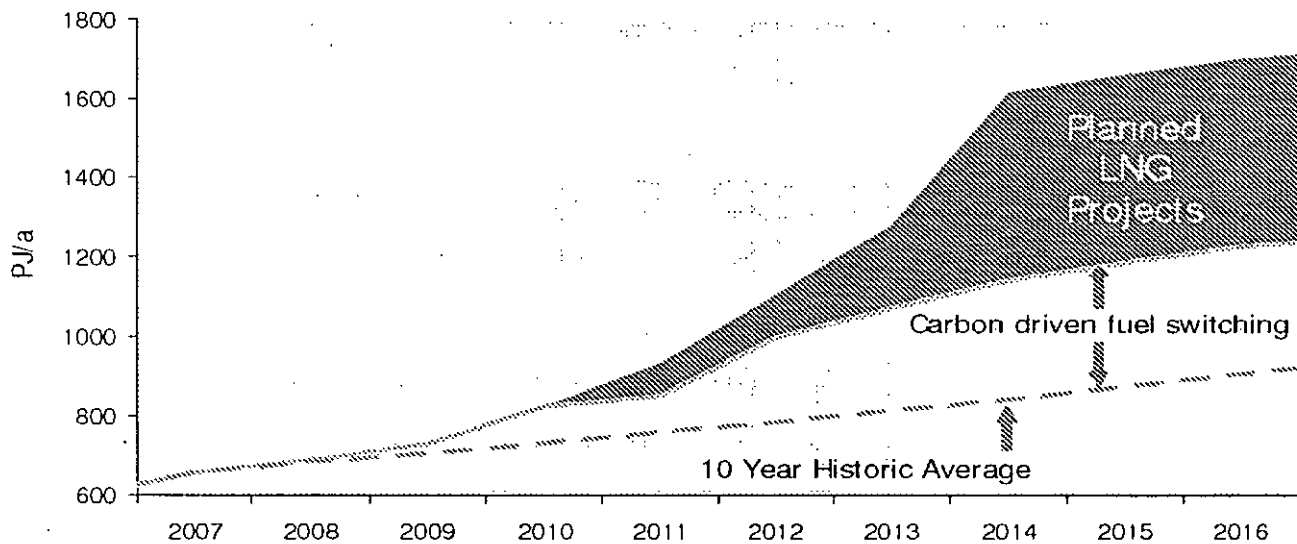
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Eastern Australia Gas

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Demand for Eastern Australia Gas

Demand will more than double within 10 years...



Source: NEMMCO, Santos, company announcements

...driven by government carbon policy and LNG export

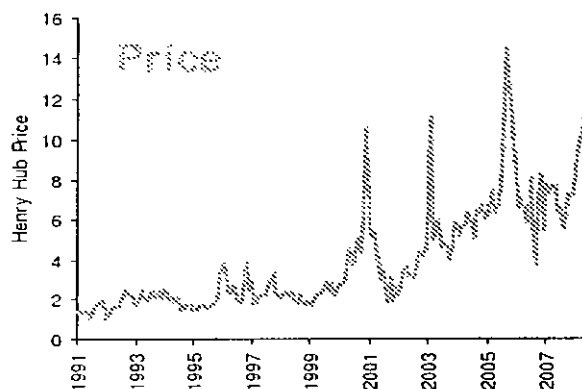
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Reserves and Production Growth as Prices Increase

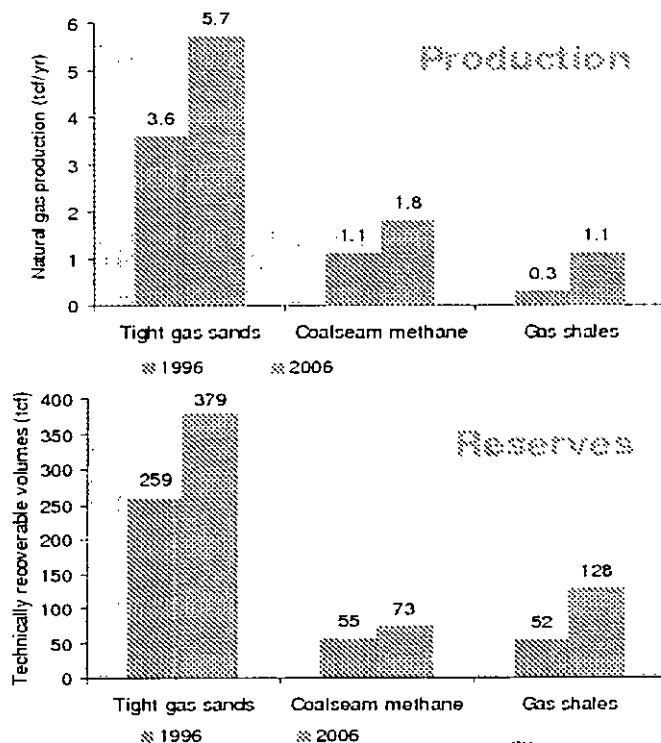
Significant growth in Cooper:

- * **US analogy:** ~ 60% reserve growth
- * **Conventional:** 3+ TCF in additional recovery potential
- * **Unconventional:** 7+ TCF in prospective resources



Source: Bloomberg, Oil & Gas Journals

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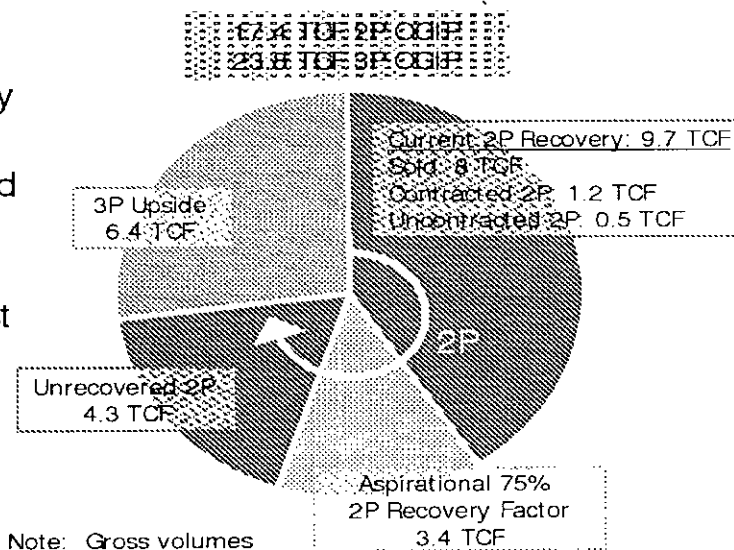


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Conventional Reserves Grow in Cooper as Prices Rise

Expectation of higher gas prices combined with liquids...

- Cooper gas reserves at commercial not technical recovery limits
- Material reserves growth achieved in analog North American basins
- Critical factors that led to North American success potentially exist in the Cooper Basin
- Program underway to quantify upside reserve potential from Cooper Basin



As price increases, ultimate recovery increases (currently ~ 55% 2P recovery factor)

...could result in material Cooper Basin reserves increase

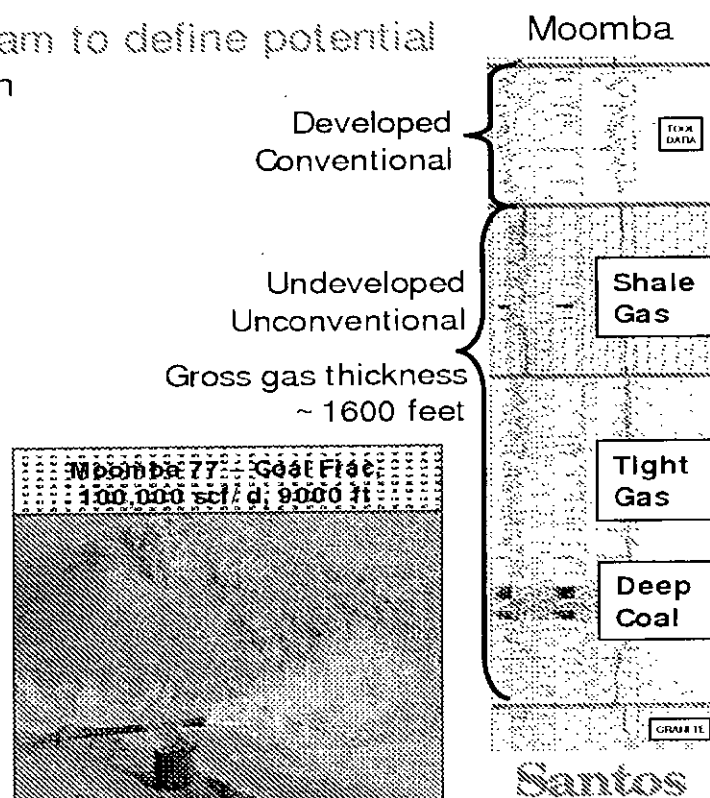
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Impact on Unconventional Cooper Gas Resources

Measured and considered program to define potential

- USA unconventional gas production has doubled since 1992
- STO mean prospective resource > 7 TCF
- High graded 3 play types coincident with conventional reserves in Moomba
- 5 "tests of concept" projects
 - Gas saturation in all 3 plays
 - Moveable gas in 2 plays - 1 yet to be tested
 - Expenditure to date is \$30m
- Deep coal frac flowing gas to surface
- Potential for first contingent resource booking in 2008



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An Australian Company Providing Energy for Australia and Asia

Through:

- Delivering the base
- Tapping our resource riches
- Being a great place to work

..and do it all safely and sustainably
to deliver a superior shareholder return

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Reference Slides

2008 Forward Exploration Schedule

Well Name	Basin / Area	Target	Upside Resource Potential (mmboe)			Santos Interest %	Timing	Comments
			0 - 50	50 - 100	100 - 500			
Hatia 1	Bay of Bengal / Bangladesh	Gas	✓			37.5	Q1 08	Gas Discovery
Johnson 1	Barrow / Australia	Oil	✓			37.5	Q2 08	P&A
Chim Ung 1	Nam Con Son / Vietnam	Oil		✓		37.5	Q2 08	P&A (Minor Oil)
Chim Boi Ca 1	Nam Con Son / Vietnam	Oil	✓			37.5	Q2 08	P&A
Charon 1	Houtman / Australia	Oil			✓	33	Q2 08	P&A
Jarver 1	Sorell / Australia	Gas			✓	55	Q2 08	P&A
Pecten East 1	Otway / Australia	Gas	✓			50	Q2 08	P&A
Netherby	Otway / Australia	Gas	✓			50	Q3 08	Gas Discovery
Chim Cong 1	Nam Con Son / Vietnam	Oil			✓	37.5	Q3 08	Drilling
Frigate Deep 1	Bonaparte / Australia	Gas	✓			100	Q3 08	Gas Discovery
Ichthys North 1	Browse / Australia	Gas			✓	30	Q3 08	Partial carry
Tuzluk 1	Fergana / Krygyzstan	Oil	✓			70	Q3 08	On schedule
Soh 1	Fergana / Krygyzstan	Oil	✓			70	Q4 08	On schedule
South East July 1	Gulf of Suez / Egypt	Oil			✓	40	Q4 08	Carried

The exploration portfolio is continuously being optimised therefore the above program may vary as a result of rig availability, drilling outcomes and maturation of new prospects

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Eastern Australia Gas - Milestones

Project	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fairview CSG 115 TJ/Day		FEED	FID	Startup							
Henry (VIC/P44 Stage 2)	Discovered July 2005	FEED	FID	Startup							
Kipper	Discovered 1986		FID				Startup				
Patricia-Baleen Plant Upgrade		Pre-FEED	FEED	FID	Startup						
Exploration	Jarver & Pecten East Wells			Netherby Well							

Pre-production

Production

◆ Milestone

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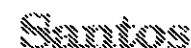
WA & Cooper Oil - Milestones

Project	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Reindeer	Discovered 1997		FEED	FID		Startup					
Cooper Oil											
Jackson 10 Moomba Pipeline		Pre FEED	FEED	FID	Startup						
Exploration				Charon Well							

 Pre-production

 Production

 Milestone



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LNG Growth - Milestones

Project	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Gladstone LNG			Pre-FEED	FEED	FID					Startup	
PNG LNG	Hides Field Discovered 1987		Pre-FEED	FEED	FID					Startup	
DLNG 1 (Bayu Undan)	Discovered 1995	Startup									
Browse				Ichthys North 1 Well Drilled							

 Pre-production

 Production

 Milestone



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Asian Growth – Milestones

Project	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Oyong Ph2	Discovered 2001	FEED	FID		Startup						
Wortel					FEED FID	Startup					
Chim Sao Dua	Country Entry 2006		Pre-FEED	FID		Startup					
Bangladesh		Magnama	Hatia Wells Country Entry 2007		3D Seismic						
India		2D Seismic Country Entry 2007		3D Seismic		Exploration Well					
Exploration		Chim Ung & Chim Cong Wells		Kyrgyzstan & Egypt Wells							

Pre-production

Production

◆ Milestone

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Partnership with PETRONAS

Partner

PETRONAS a global top 3 LNG producer with more than US\$50 billion in annual revenue

Amount

US\$2.508 billion consisting of US\$2.008 billion plus US\$500 million upon FID of GLNG™ Train 2 using JV gas

Participation

40% interest in Integrated Project

Alignment

Santos and PETRONAS fully aligned across the value chain: upstream resource, development, operation and LNG marketing

Operator

Santos to continue as upstream operator
Joint operating company will develop and operate the pipeline and LNG plant and undertake marketing

Assets

Structure ensures assets and revenues held directly by Santos and PETRONAS

Completion

Closed in July 2008, US\$2 billion received

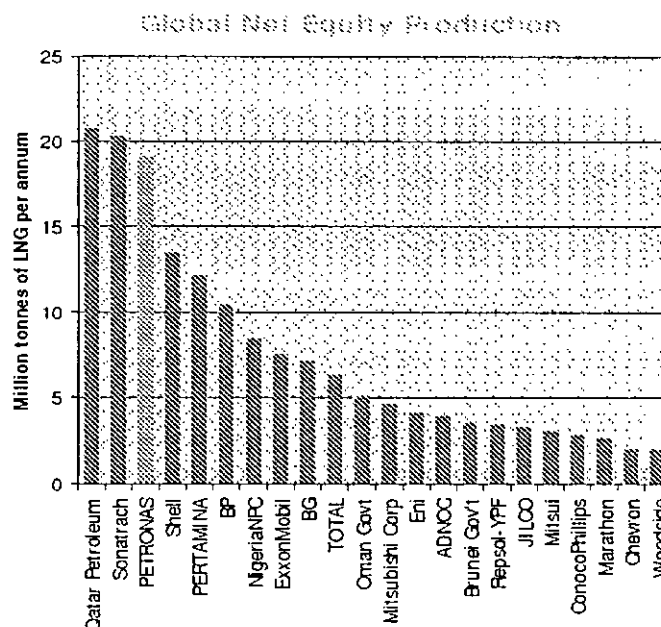
Santos

42

PETRONAS: A Leader in LNG

Number 3 globally in LNG and number 1 in Asia

- ✧ PETRONAS operates the PETRONAS LNG complex, the world's largest single integrated LNG facility with a total capacity of 23mtpa from 8 LNG trains.
- ✧ PETRONAS is also a partner in the ELNG Project in Egypt with a capacity of 7.2mtpa from 2 LNG trains.
- ✧ PETRONAS has delivered over 5,500 cargoes from the PETRONAS LNG complex in Malaysia.
- ✧ PETRONAS is the world's largest owner-operator of LNG ships.



43 Source: PETRONAS

Santos

Transaction Underpins Santos' CSG Value

Santos' Coal Seam Gas Reserves and Resources

PJ (as of end 2007)	2P	3P	Contingent resource ¹
YE 2007 total CSG reserves	1,573	4,511	10,492
Sold to PETRONAS	538	1,600	2,969
Remaining CSG reserves	1,035	2,911	7,523

¹ Contingent resource is defined as the high side (3C) contingent resource estimate

- ✧ Transaction value US\$2.508 billion
- ✧ Santos retains approximately 70% of its CSG reserves and resources
- ✧ Santos retains approximately 89% of its total 2P oil and gas reserves

GLNGTM JV - Upstream Assets

GLNG JV Acreage

Fairview (PLs 90, 91, 92, 99, 100 & 232)

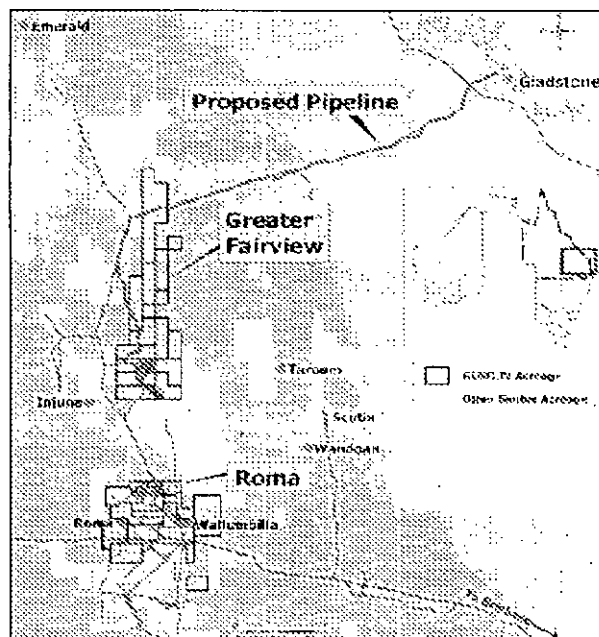
- Santos operated with a 79.5% working interest decreasing to 68.5% after project payout
- Acquired by Santos in 2005 with an established production history of over 14 years

Greater Fairview (Arcadia) (PLs 233, 234, 235 & 236, ATPs 526P and 663P)

- PLs 233, 234, 235, 236; ATP 526P: 79.5% working interest decreasing to 68.5% after project payout

Roma (PLs 2, 4, 5, 6, 7, 8, 9, 13 & 93; PLAs 250 & 251; ATP 336P (Roma South) & ATP 631P (North))

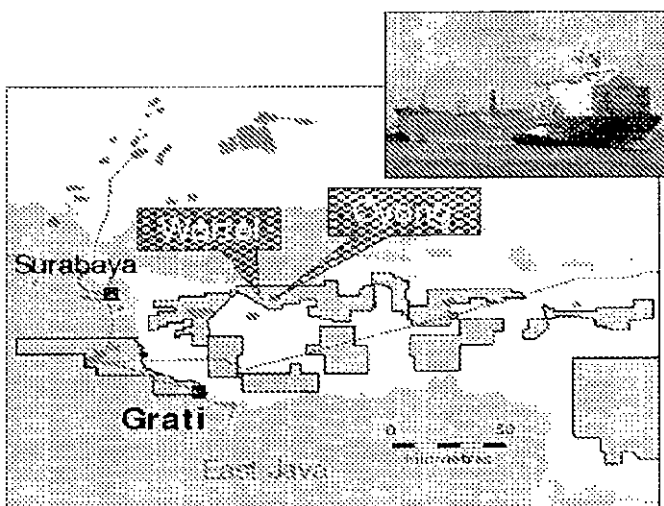
- Up to 100% Santos owned and operated
- Direct access to gas market via Wallumbilla hub



Santos

Indonesia – Oyong & Wortel

- Oyong Phase 1 (oil)
 - First oil achieved in September 2007 at ~8,000 bopd
- Oyong Phase 2 (gas and oil)
 - 60km pipeline to Grati
 - Gas sales to PT Indonesia Power
 - Engineering and construction in progress
 - First gas Q3 2009
- Potential Wortel synergies
 - Infill seismic acquired in 2007
 - Development planning in progress – potential tie back to Oyong
 - First gas targeted in 2010



Legend

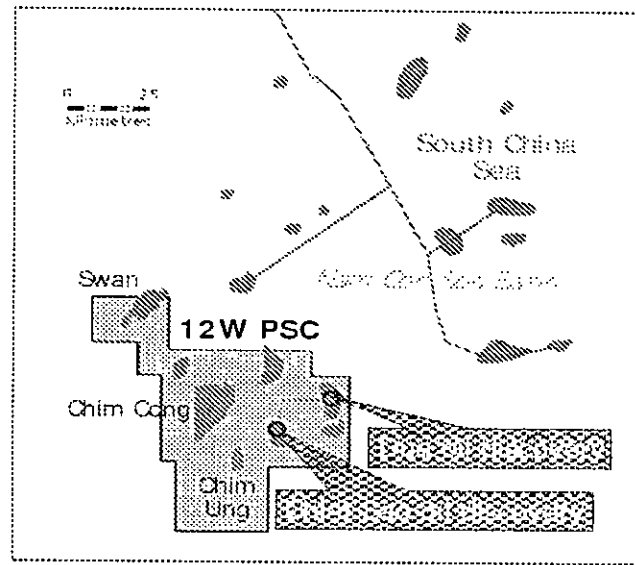
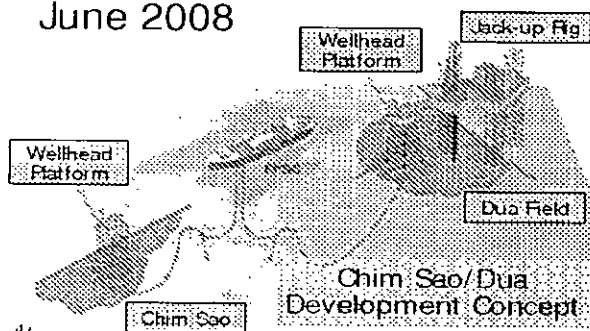
- Santos acreage
- Oil field
- Gas field
- Oil pipeline
- Gas pipeline

Santos

Vietnam – Nam Con Son Basin

Two oil discoveries, with follow-on opportunities

- ✱ Chim Sao/Dua (STO 37.5%)
 - Reservoir and facilities studies underway
 - Project sanction in 2H 2008
 - Expression of interest prepared for FPSO supply
 - Target first oil in 2010
- ✱ Exploration wells commence June 2008



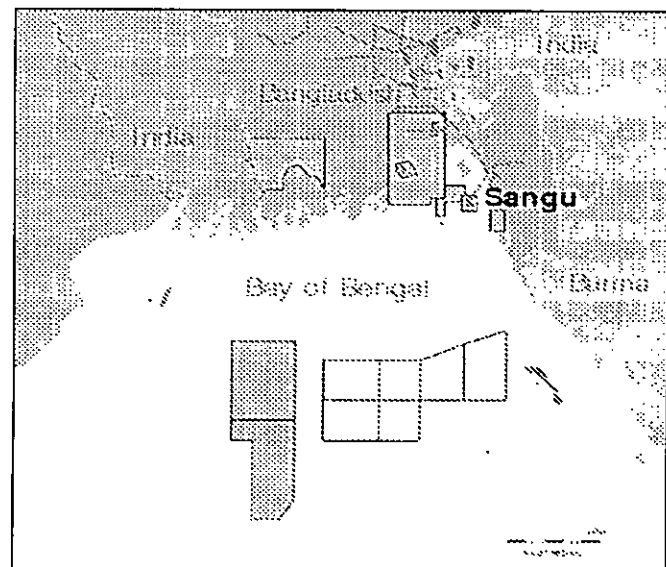
Legend

- Santos acreage
- ▨ Oil field
- ▨ Gas field
- ▨ Prospect
- Gas pipeline

Santos

Bay of Bengal – India / Bangladesh

- ✱ Material Gas targets
- ✱ Enormous, underexplored, prospective tertiary delta near rapidly emerging markets
- ✱ India
 - PSC's signed March 2007
 - 17,250 line km seismic survey completed – currently processing
- ✱ Bangladesh
 - Acquisition of interests Oct 2007
 - Production optimisation at Sangu
 - Appraisal planning for gas discoveries
 - Bids submitted for offshore blocks



Legend

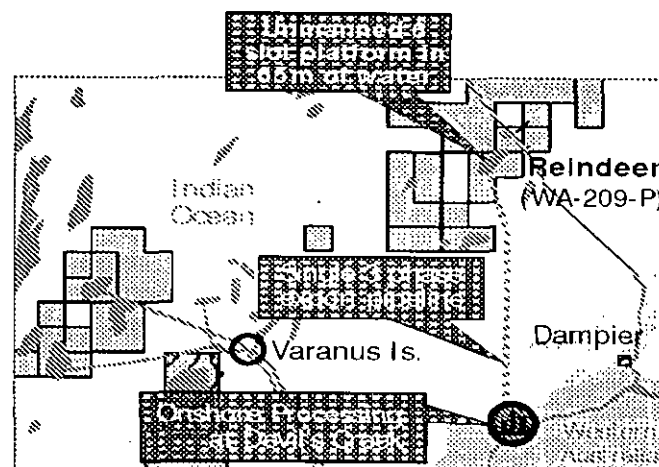
- Santos acreage
- Application block
- ▨ Gas field
- Oil pipeline
- Gas pipeline

Santos

Reindeer Development

Fast-tracking discovery...

- 45% WI, Apache operator
- FID achieved 2Q08
- CAPEX \$379m (net)
- First gas end 2010
- 400-600 bcf resource
- Rate ~ 90mmscf/d (net)
- Substantial market opportunity



Legend

□ Santos acreage

■ Oil field

■ Gas field

--- Oil pipeline

--- Gas pipeline

--- Proposed gas pipeline

...to exploit current gas price

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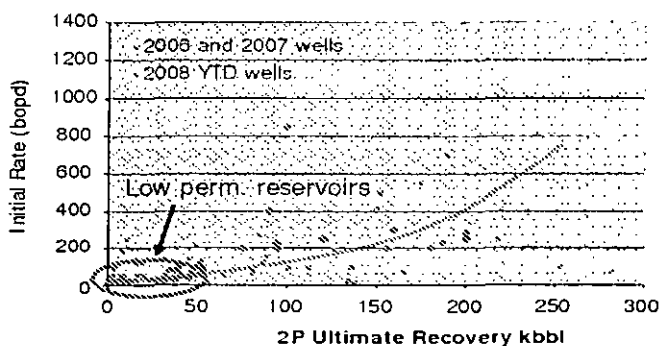
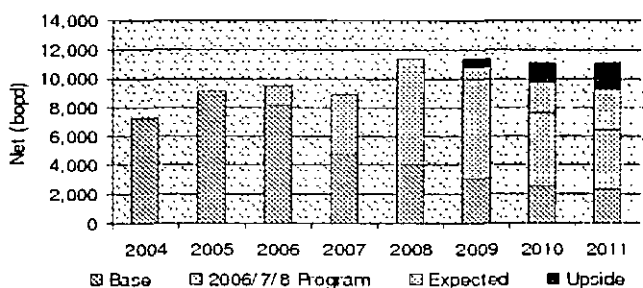
49

Cooper Basin Oil

Future scale of program will be determined by economics ...

- Results from low permeability reservoirs disappointing
- Success in deeper / higher rate reservoirs
- Optimising target selection whilst rebuilding inventory
- 2008 drill results substantially better than 2006/7
- 75 wells in 2008, F&D ~ \$45/bbl

Cooper Basin Oil Forecast



Santos

50

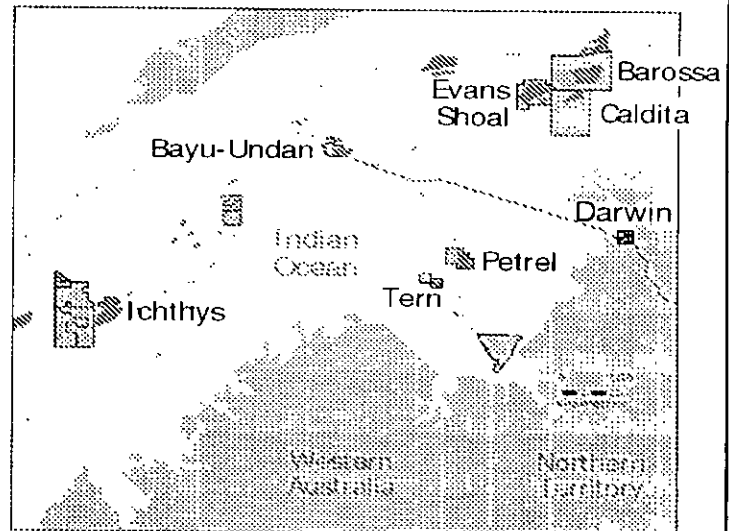
Timor Bonaparte & Browse

Timor Bonaparte

- A new LNG train in Darwin
 - 3-4 mtpa
- Floating LNG
 - 1-2 mtpa

Browse

- Ichthys North Q3 2008 drill
- Unitisation with existing LNG plans a real possibility



Legend

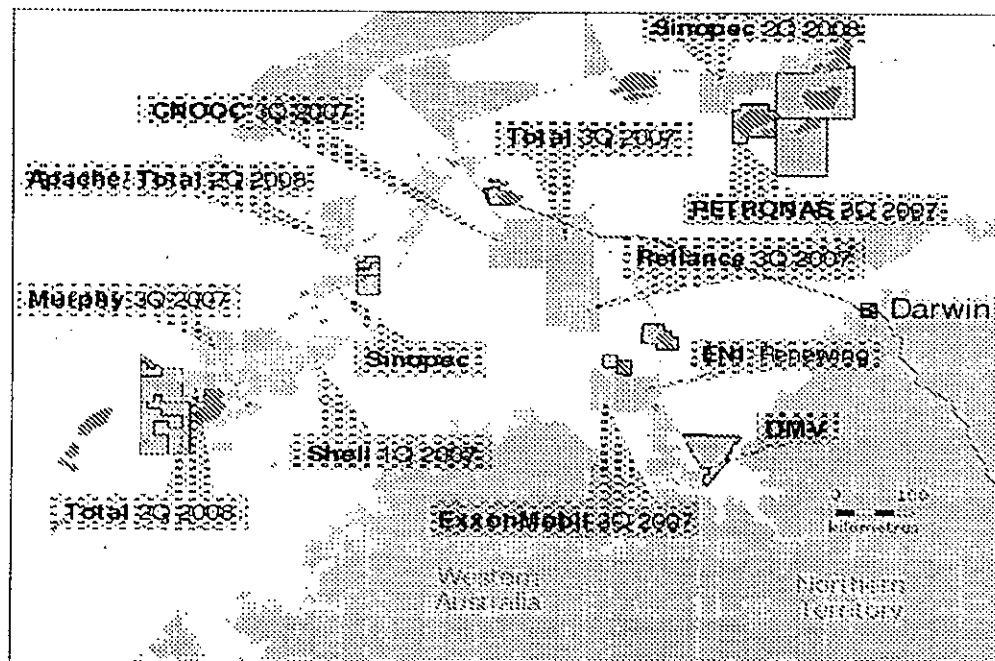
- Santos acreage
- Oil field
- Gas field
- Oil pipeline
- Gas pipeline

Santos

51

Timor Bonaparte/Browse: hot property

Major parties enter and confirm acreage value ...



Legend

- Santos acreage
- Other acreage
- Oil field
- Gas field
- Oil pipeline
- Gas pipeline

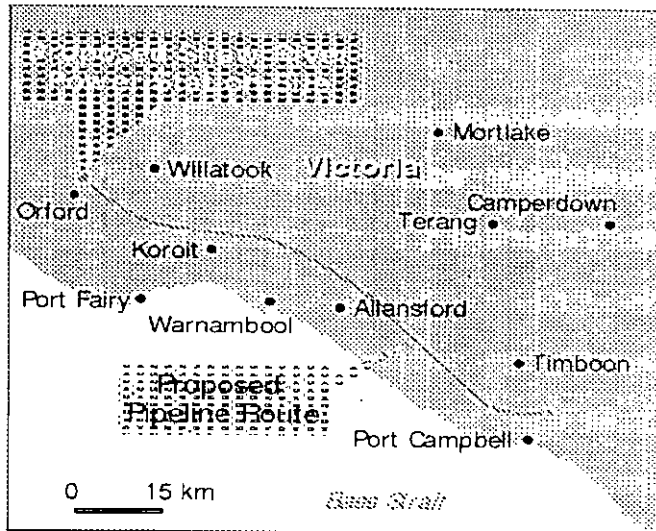
Santos

52

Proposed Shaw River Power Station

Proposal to build a 500MW power station in Victoria

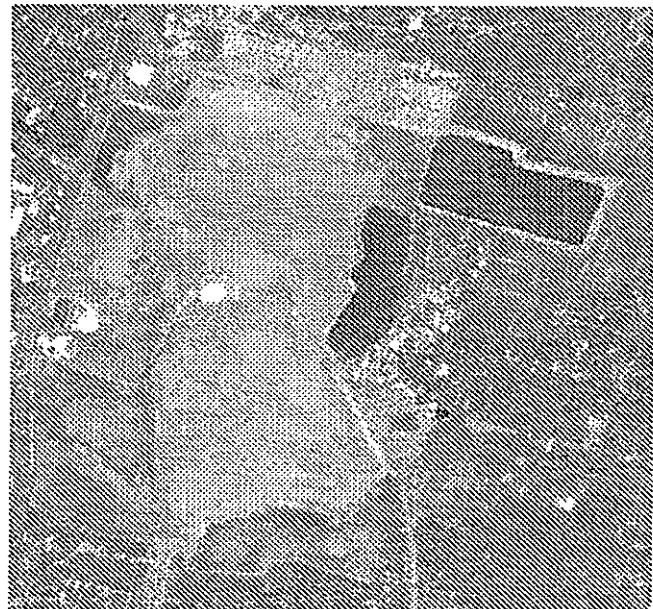
- » Natural gas will play an increasingly significant role in Australia's power generation mix
- » Entry to power generation is consistent with Santos' strategy of accelerating the commercialisation of its extensive gas reserves and resources
- » Freehold site secured alongside Moorabool to Heywood 500kV transmission line
- » Proposed \$800 million 500MW CCGT first phase, expandable to 1,500MW
- » Gas would be supplied from Santos' gas portfolio via a new dedicated pipeline from near Port Campbell
- » FEED studies commenced
- » Targeting FID by end-2009 which would enable first power generation by 2012



Santos

Banjar-Panji Update

- » Area impacted remains ca. 650 hectares
- » Current funding
 - **Infrastructure:**
Government of Indonesia
 - **Land and buildings:**
Minarak Lapindo Jaya
 - **Santos PSC spend:**
US\$29.4m
- » WALHI legal case rejected (being appealed)
- » Santos provision: US\$79.0m



Santos

Prices & Exchange Rates

	Half Year 2008	Half Year 2007	Change %
Realised Oil Prices (USD/bbl)	113.08	68.19	+66
AUD/USD Exchange Rate (after hedging)	0.9383	0.8189	+15
Realised Oil Price (AUD/bbl)	120.51	83.27	+45
Gas Prices (AUD/GJ)	4.00	3.84	+4

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2008 Second Half Sensitivities

Sensitivity	Change	NPAT Impact A\$m
US dollar oil price	US\$1/bbl	9
Gas price	10 cent/GJ	6
A\$/US\$ exchange rate	1 cent	7
Interest rates	1%	-

Santos

Contact Information

Registered and head office**Share Register****Adelaide**

Ground Floor, Santos Centre
60 Flinders Street
Adelaide, South Australia 5000
GPO Box 2455
Adelaide, South Australia 5001
Telephone: +61 8 8116 5000
Facsimile: +61 8 8116 5050

Useful email contacts**Share register enquiries:**

share.register@santos.com

Investor enquiries:

investor.relations@santos.com

Andrew Nairn**Group Executive Investor Relations**

Level 10, Santos Centre

Direct: + 61 8 8116 5314

Facsimile: +61 8 8116 5131

Email: andrew.nairn@santos.com

Brooke Pedersen**Investor Relations Analyst**

Level 10, Santos Centre

Direct: + 61 8 8116 7227

Facsimile: +61 8 8116 5131

Email: brooke.pedersen@santos.com

Website:

www.santos.com

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ABN 80 007 550 923

Tender Form - Issuer Sponsored Holders

RECEIVED
2008 SEP 15 A 10:41

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.
If you do not wish to participate in the Buy-Back do not return this form.
Please refer to the instructions on the back of this form.

Please complete the following using black ink only

I/we tender the following Shares to Santos Limited at the specified Tender Discount(s) and/or as a Final Price Tender, on the terms and conditions set out in the Buy-Back Documents:

A Shares you can tender as at 2 September 2008

B	Insert the number of Shares (if any) you wish to tender as a Final Price Tender.	<input type="text"/>	as a FINAL PRICE TENDER
C	Insert the number of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares. If you hold 300 Shares or less (as shown in Box A), you may only submit one Tender in respect of all of your Shares and such a Tender must be at one of the specified Tender Discounts or as a Final Price Tender. Online Tender Facility: Please note that Issuer Sponsored Holders may submit their Tender online by going to www.santos.com . Issuer Sponsored Holders that apply in this manner need not return this Tender Form.	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	at a <input type="text"/> 14% Tender Discount at a <input type="text"/> 13% Tender Discount at a <input type="text"/> 12% Tender Discount at an <input type="text"/> 11% Tender Discount at a <input type="text"/> 10% Tender Discount at a <input type="text"/> 9% Tender Discount at an <input type="text"/> 8% Tender Discount
D	TOTAL NUMBER OF SHARES TENDERED Add up the number of Shares in Boxes B and C and write that number in Box D.	<input type="text"/>	The number of Shares in Box D must not be more than the number in Box A.

E Please provide your contact details in case we need to speak to you about your Tender:

Contact Name <input type="text"/>	Contact Daytime Telephone <input type="text"/>	Date <input type="text"/> / <input type="text"/> / <input type="text"/>
-----------------------------------	--	---

F Please sign within the appropriate boxes below. By signing this form you confirm that you have read the terms and conditions of the Buy-Back and you make the representations in Section 5.9 of the Buy-Back booklet and on the reverse of this form.

Individual or Joint Shareholder 1 <input type="text"/>	Joint Shareholder 2 <input type="text"/>	Joint Shareholder 3 <input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary	Director

G THIS BOX G IS OPTIONAL - EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY: You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the following prices. You will not receive less than this amount for your Shares, however your Shares will not be bought back if the Minimum Price you tick is higher than the Buy-Back Price.

☐ AS12.00
 ☐ AS13.00
 ☐ AS14.00

TENDER FORMS MUST BE RECEIVED BY THE REGISTRY BY 7.00PM (EASTERN STANDARD TIME) ON FRIDAY, 3 OCTOBER 2008

STO

1DLNG





ABN 80 007 550 923

How to complete this Tender Form

The instructions below are cross-referenced to the relevant section on the front of this form. Defined terms have the same meaning as in the Buy-Back booklet. **Please complete the form using black ink only.**

A	This is the total number of Shares registered in your name as at 2 September 2008 that confer an entitlement to participate in the Buy-Back. If you wish to participate in the Buy-Back, you can offer to sell some or all of these Shares to Santos Limited (by following the instructions set out below)											
B	Final Price Tender Insert the number of Shares (if any) you wish to tender as a Final Price Tender.	AND/OR										
C	Tender Discount Insert the number of Shares (if any) you wish to tender at the specified Tender Discount. You may offer to sell parcels of Shares at up to 7 different specified Tender Discounts. Each parcel is treated as a separate Tender. If you hold 300 Shares or less , you may only submit one Tender in respect of all of your Shares and such a Tender must be at one of the specified Tender Discounts or as a Final Price Tender. If you hold more than 300 Shares , you may tender different parcels of Shares at one or more Tender Discounts and/or as a Final Price Tender. However, you must tender a minimum of 300 Shares in aggregate.											
D	After indicating the number of Shares you wish to tender as a Final Price Tender (Box B) and/or at a specified Tender Discount(s) (Box C), you need to add up the number of Shares in Boxes B and C and write the total in Box D. Note that the number of Shares in Box D must not be more than the number of Shares in Box A. If the number of Shares in Box D is more than the number of Shares in Box A, you will be deemed to have offered only the number of Shares shown in Box A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in Section 5.12 of the Buy-Back booklet.											
E	Please provide your contact details in case we need to speak to you about your Tender Form.											
F	You must sign this form in Box F. By signing and returning this Tender Form, you acknowledge that you have read and understood the Buy-Back booklet and agree to, and make an offer to, sell your Shares on the terms and conditions set out in the Buy-Back Documents (including the warranties, authorisations and undertakings set out in Section 5.9 of the Buy-Back booklet). <table style="width: 100%;"> <tr> <td style="width: 30%;">Individual holders</td> <td>Where a holding is in one name, the registered shareholder must sign.</td> </tr> <tr> <td>Joint holders</td> <td>All holders must sign.</td> </tr> <tr> <td>Under Power of Attorney</td> <td>If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry. Where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power.</td> </tr> <tr> <td>Deceased Estate</td> <td>All executors should sign and, if not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.</td> </tr> <tr> <td>Company</td> <td>This form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.</td> </tr> </table> <p>By signing this Tender Form you confirm that you are not an Excluded Foreign Person and, in particular, are not (i) in the United States or Canada or a US Person (as defined in the Buy-Back booklet) or resident of Canada or (ii) tendering any Shares by means of this Tender Form on behalf of or for the account of a person in the United States or Canada or a US Person or a resident of Canada. ADRs and Restricted Employee Shares may not be tendered into the Buy-Back.</p>		Individual holders	Where a holding is in one name, the registered shareholder must sign.	Joint holders	All holders must sign.	Under Power of Attorney	If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry. Where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power.	Deceased Estate	All executors should sign and, if not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.	Company	This form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.
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G	THIS BOX G IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY: You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than <u>one</u> of the specified prices. You will not be paid less than this amount for your Shares, however if the Minimum Price you select is higher than the Buy-Back Price your Shares will not be bought back. If you complete Box G, you must also complete Box B and/or Box C. Tick no more than one Minimum Price in Box G – if you tick more than one Minimum Price, your Tender will be deemed to be conditional on the highest Minimum Price that you have specified.											

Santos Limited will not accept Tender Forms from any person (or person acting on behalf of or for the account of a person who is) in the United States or Canada or a US Person or resident of Canada or any Tender Form that has been postmarked in, or otherwise appears to Santos Limited or its agents to have been sent from, the United States or Canada.

Payment for Shares bought back

Santos Limited expects to dispatch payment for Shares bought back no later than 10 October 2008.

Submitting your Tender Form

Send your completed and signed Tender Form or, if mailing in Australia, use the enclosed reply-paid envelope so that your Tender Form is received no later than 7.00pm (Eastern Standard Time) on 3 October 2008.

If sending by mail

Santos Limited Buy-Back
 C/o Computershare Investor Services Pty Limited
 GPO Box 52
 MELBOURNE VIC 8060
 AUSTRALIA

If delivering in person

(during business hours only)
 Santos Limited Buy-Back
 C/o Computershare Investor Services Pty Limited
 Yarra Falls
 452 Johnston Street
 ABBOTSFORD VIC 3067

This Tender Form relates to the Santos Limited Buy-Back booklet dated 28 August 2008 and should be read in conjunction with that booklet.

If you require further information on how to complete this form please contact the Santos Limited Buy-Back enquiry line on 1300 727 634 (within Australia) or +61 3 9946 4447 (from outside Australia).

TENDER FORMS MUST BE RECEIVED BY THE REGISTRY BY 7.00PM (EASTERN STANDARD TIME) ON FRIDAY, 3 OCTOBER 2008.

Do not send this Tender Form to the Registry if you have submitted your Tender via the Online Tender Facility.

1 DLNG

STO



Santos

ABN 80 007 550 923

Tender Form - CHESS Holders

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.

If you wish to participate in the Buy-Back, you must instruct your controlling participant (normally your broker) to submit your Tender(s), for your Tender(s) to be effective.

Do NOT return this form to the Registry.

Please refer to the instructions on the back of this form. Controlling CHESS participant as at 2 September 2008

Please complete the following using black ink only

I/we tender the following Shares to Santos Limited at the specified Tender Discount(s) and/or as a Final Price Tender, on the terms and conditions set out in the Buy-Back Documents:

A Shares you can tender
as at 2 September 2008

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			at a <input type="text"/> 13% Tender Discount
			at a <input type="text"/> 12% Tender Discount
			at an <input type="text"/> 11% Tender Discount
			at a <input type="text"/> 10% Tender Discount
			at a <input type="text"/> 9% Tender Discount
			at an <input type="text"/> 8% Tender Discount
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E Please provide your contact details in case we need to speak to you about your Tender:

Contact Name	Contact Daytime Telephone	Date
--------------	---------------------------	------

F Please sign within the appropriate boxes below. By signing this form you confirm that you have read the terms and conditions of the Buy-Back and you make the representations in Section 5.9 of the Buy-Back booklet and on the reverse of this form.

Individual or Joint Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary	Director

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<input type="checkbox"/> AS12.00	<input type="checkbox"/> AS13.00	<input type="checkbox"/> AS14.00
----------------------------------	----------------------------------	----------------------------------

TENDER FORMS MUST BE PROCESSED BY YOUR CONTROLLING PARTICIPANT BY 7.00PM (EASTERN STANDARD TIME) ON FRIDAY, 3 OCTOBER 2008

S T O

1 D L N G





ABN 80 007 550 923

How to complete this Tender Form

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<table border="0"> <tr> <td data-bbox="71 409 454 619"> B Final Price Tender Insert the number of Shares (if any) you wish to tender as a Final Price Tender. </td> <td data-bbox="454 409 1481 619"> C Tender Discount Insert the number of Shares (if any) you wish to tender at the specified Tender Discount. You may offer to sell parcels of Shares at up to 7 different specified Tender Discounts. Each parcel is treated as a separate Tender. If you hold 300 Shares or less, you may only submit one Tender in respect of all of your Shares and such a Tender must be at one of the specified Tender Discounts or as a Final Price Tender. If you hold more than 300 Shares, you may tender different parcels of Shares at one or more Tender Discounts and/or as a Final Price Tender. However, you must tender a minimum of 300 Shares in aggregate. </td> </tr> </table>	B Final Price Tender Insert the number of Shares (if any) you wish to tender as a Final Price Tender.	C Tender Discount Insert the number of Shares (if any) you wish to tender at the specified Tender Discount. You may offer to sell parcels of Shares at up to 7 different specified Tender Discounts. Each parcel is treated as a separate Tender. If you hold 300 Shares or less, you may only submit one Tender in respect of all of your Shares and such a Tender must be at one of the specified Tender Discounts or as a Final Price Tender. If you hold more than 300 Shares, you may tender different parcels of Shares at one or more Tender Discounts and/or as a Final Price Tender. However, you must tender a minimum of 300 Shares in aggregate.								
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D After indicating the number of Shares you wish to tender as a Final Price Tender (Box B) and/or at a specified Tender Discount(s) (Box C), you need to add up the number of Shares in Boxes B and C and write the total in Box D. Note that the number of Shares in Box D must not be more than the number of Shares in Box A. If the number of Shares in Box D is more than the number of Shares in Box A, you will be deemed to have offered only the number of Shares shown in Box A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in Section 5.12 of the Buy-Back booklet.										
E Please provide your contact details in case we need to speak to you about your Tender Form.										
F You must sign this form in Box F. By signing and returning this Tender Form, you acknowledge that you have read and understood the Buy-Back booklet and agree to, and make an offer to, sell your Shares on the terms and conditions set out in the Buy-Back Documents (including the warranties, authorisations and undertakings set out in Section 5.9 of the Buy-Back booklet). <table border="0"> <tr> <td>Individual holders</td> <td>Where a holding is in one name, the registered shareholder must sign.</td> </tr> <tr> <td>Joint holders</td> <td>All holders must sign.</td> </tr> <tr> <td>Under Power of Attorney</td> <td>If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry. Where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power.</td> </tr> <tr> <td>Deceased Estate</td> <td>All executors should sign and, if not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.</td> </tr> <tr> <td>Company</td> <td>This form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.</td> </tr> </table> By signing this Tender Form you confirm that you are not an Excluded Foreign Person and, in particular, are not (i) in the United States or Canada or a US Person (as defined in the Buy-Back booklet) or resident of Canada or (ii) tendering any Shares by means of this Tender Form on behalf of or for the account of a person in the United States or Canada or a US Person or a resident of Canada. ADRs and Restricted Employee Shares may not be tendered into the Buy-Back.	Individual holders	Where a holding is in one name, the registered shareholder must sign.	Joint holders	All holders must sign.	Under Power of Attorney	If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry. Where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power.	Deceased Estate	All executors should sign and, if not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.	Company	This form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.
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Under Power of Attorney	If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry. Where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power.									
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Company	This form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.									
G THIS BOX G IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY: You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the specified prices. You will not be paid less than this amount for your Shares, however if the Minimum Price you select is higher than the Buy-Back Price your Shares will not be bought back. If you complete Box G, you must also complete Box B and/or Box C. Tick no more than one Minimum Price in Box G – if you tick more than one Minimum Price, your Tender will be deemed to be conditional on the highest Minimum Price that you have specified.										

Santos Limited will not accept Tender Forms from any person (or person acting on behalf of or for the account of a person who is) in the United States or Canada or a US Person or resident of Canada or any Tender Form that has been postmarked in, or otherwise appears to Santos Limited or its agents to have been sent from, the United States or Canada.

Payment for Shares bought back

Santos Limited expects to dispatch payment for Shares bought back no later than 10 October 2008.

Submitting your Tender Form

You will need to contact your controlling participant (usually your broker) in sufficient time for your controlling participant to process your Tender no later than 7:00pm (Eastern Standard Time) on 3 October 2008.

DO NOT RETURN THIS FORM TO SANTOS LIMITED OR THE REGISTRY
 This Tender Form relates to the Santos Limited Buy-Back booklet dated 28 August 2008 and should be read in conjunction with that booklet.

If you require further information on how to complete this form please contact the Santos Limited Buy-Back enquiry line on 1300 727 634 (within Australia) or +61 3 9946 4447 (from outside Australia).

TENDER FORMS MUST BE PROCESSED BY YOUR CONTROLLING PARTICIPANT BY 7:00PM (EASTERN STANDARD TIME) ON FRIDAY, 3 OCTOBER 2008.

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